

BROOKSHIRE MUNICIPAL WATER DISTRICT

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

March 1, 2021

The Board of Directors (the "Board" or "Directors") of Brookshire Municipal Water District (the "District") met in regular session on the 1st day of March, 2021, at 6:00 p.m., in the meeting room of the District, 4004 6th Street, Brookshire, Texas and via telephone conference call pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the temporary suspension of various provisions thereof effective March 16, 2020, by the Governor of Texas (the "Governor") in accordance with the Texas Disaster Act of 1975, all as related to the Governor's proclamation on March 13, 2020, certifying that the COVID-19 pandemic ("COVID-19") poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas; whereupon the roll was called of the members of the Board, to-wit:

Stephanie Green	President/Investment Officer
LaKethia Connor	Vice President
Shirley Williams	Secretary
Havanaugh Glover	Assistant Secretary
Michael Whitaker, Jr.	Director

All members of the Board were present, with Directors Green and Glover attending via telephone conference call, thus constituting a quorum. Also attending were Tonya Pierre ("General Manager"); Linda Guevara, employee of the District; Monica A. Garza, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("Attorney" or "RBAP"); Sylvia Patton of the Brookwood Community ("Brookwood"); Quanesha Survillion and Leon Survillion, residents of the District; and all persons on the attached Attendance Roster. Also attending via telephone conference call were John Taylor of Municipal Operations and Consulting, Inc. ("Operator" or "MOC"); Steve Haskins of Protocol Bookkeeping, Inc. ("Bookkeeper"); Dr. Herman Clay, PhD ("Engineer"); and James Weishuhn of Weishuhn Engineering, Inc. ("Weishuhn").

The meeting was audio recorded by RBAP in compliance with requirements of the Texas Open Meetings Act.

The President, after finding that notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order at 6:01 p.m. and declared it open for such business as may regularly come before it.

1. Public Comment.

The President first opened the meeting to public comment. Ms. Survillion introduced herself to the Board and explained that she is opening a new business in the District. Ms. Survillion reported that she recently reached out to Mrs. Pierre regarding the process by which to apply for new service from the District at the property on which her business is located, and she felt that Mrs. Pierre acted unprofessionally during such interaction and was unable to explain such process to Ms. Survillion. Ms. Survillion stated she does not think it is fair that as the first person to establish service at such property, she is responsible for paying the \$2,500

deposit for a feasibility study, while any future customers at such location will not be subject to such fee. Director Green then explained the policies and procedures relating to new development within the District and the need for such deposit to determine whether service to such development is feasible. Mrs. Pierre added that once a development is approved by the Board, the unused balance of the customer's deposit will be returned to such customer.

There being no further public comments, the President directed the Board to proceed with the agenda.

2. Approve Minutes of Prior Meetings.

The Board then considered approval of the minutes from the special meeting of January 25, 2021 and the regular meeting of February 1, 2021. Upon a **motion** by Director Connor, seconded by Director Whitaker, after full discussion and with all Directors present voting aye, the Board approved the minutes from the special meeting of January 25, 2021 and the regular meeting of February 1, 2021.

3. Bookkeeper's Report.

Mr. Haskins then presented the Bookkeeper's Report, a copy of which is available upon request.

Mr. Haskins next explained the process of escheatment of checks to the State, in which funds from deposit accounts that are considered to be abandoned are remitted to the State, and reported that \$5,296.00 will be escheated.

In response to a question from Director Whitaker, Mr. Haskins reported that the District has \$85,000.00 available in its operating reserve fund and that the remaining balance of such fund is designated for use on specific projects.

Upon a **motion** by Director Whitaker, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report.

4. Texas Water Development Board ("TWDB") Projects.

Mr. Weishuhn next updated the Board on the water line replacement project that will replace asbestos clay water lines along Texas Farm-to-Market ("FM") 1489 and in a residential area north of U.S. Highway 90 and east of FM 362 (Project Information Form No. 62829) (the "Water Line Project"). Mr. Weishuhn reminded the Board that the Notice to Proceed was issued to Texas Pride Utilities, LLC ("Texas Pride"), and reported that pre-mobilization activities are underway. Mr. Weishuhn then reported that he is coordinating with Mrs. Pierre to ensure that once the new water line is installed, meters will be correctly reconnected to such line. Mr. Weishuhn went on to report that Weishuhn is reviewing submittals from Texas Pride for equipment and materials needed to complete such project. Mr. Weishuhn further reported that Texas Pride submitted permit applications to the City of Brookshire and is waiting to receive approval in order to begin construction on such project.

5. **Update on Funding of Projects Necessary for the Sanitary Sewer Overflow Initiative Program (the "SSO Program").**

Discussion then ensued regarding the Texas Commission on Environmental Quality's ("TCEQ") requirement that certain deficiencies in the District's sanitary sewer collection system must be addressed by certain deadlines as part of the TCEQ's approval of the District's proposed plan for participation in the TCEQ's SSO Program.

Dr. Clay reported that he has prepared the advertisement soliciting bids for conducting of the smoke testing on 138,500 linear feet of the District's sanitary sewer lines and noted that he provided such proposed advertisement to Mr. Taylor and Mrs. Pierre for comment. Mr. Taylor reported that he provided Dr. Clay with his comment to such advertisement, and Mrs. Pierre added that she had no comments. Mr. Taylor stated that he expects that Dr. Clay will receive bids of approximately \$0.75 per linear foot of smoke testing, with a total cost of roughly \$100,000.00. Mr. Taylor reminded the Board that the TCEQ requires that the District complete such smoke testing and submit a report regarding the same by September 1, 2021. In response to a question by Director Green regarding utilizing customer deposits to fund such smoke testing, Ms. Garza explained the RBAP will need to determine whether the use of such deposits is restricted. Mr. Weishuhn reported that he provided the Attorney with potential options regarding short-term loans available to the District for funding of such smoke testing. Ms. Garza reported that the Attorney will discuss such options with the District's Financial Advisor. Mr. Haskins stated that he reached out to Allegiance Bank regarding the availability of a revolving loan.

Upon a **motion** by Director Whitaker, seconded by Director Connor, after full discussion and with all Directors present voting aye, the Board authorized Dr. Clay to advertise for bids for the smoke testing of 138,500 linear feet of the District's sanitary sewer lines.

6. **Engineer's Report.**

Dr. Clay presented the Engineer's Report, a copy of which is available upon request.

Dr. Clay reported that he anticipates advertising for bids for the Brookwood Community Project in late March. Dr. Clay further reported that following the award of such bids, he expects that such project will take approximately five (5) months to complete.

7. **Operator's Report.**

Mr. Taylor first discussed damaged to certain District facilities caused by Winter Storm Uri (the "Storm"). Mr. Taylor reported that a natural gas generator was damaged at the Water Plant on Velasco Street. Mr. Taylor further reported that MOC has ordered the replacement parts needed to repair such generator.

Mr. Taylor next reported that MOC's answering service was overwhelmed during the Storm with calls from customers regarding reduced water pressure and broken pipes. Mr. Taylor went on to report that MOC field operators walked the streets of the District to locate leaks resulting from the Storm.

Next, Mr. Taylor reported that a four-inch (4") valve at the Love's Travel Stop broke due to the freezing temperatures during the Storm. Mr. Taylor went on to report that such valve has been repaired.

Mr. Taylor then discussed several ways in which MOC can winterize the District's facilities to avoid future damage caused by freezing temperatures. Director Green then requested that Mr. Taylor coordinate with the Attorney to prepare an application on behalf of the District to receive grants through the Federal Emergency Management Agency ("FEMA") for the repair of District facilities that were damaged during the Storm. Mr. Taylor recommended that such application be submitted to FEMA immediately and then amended later to reflect a more accurate cost for such repairs.

Mr. Taylor then presented the Operator's Report, a copy of which is available upon request.

Next, Mr. Taylor updated the Board regarding the status of repairs to two (2) sinkholes that recently developed around a manhole at Waller Avenue and South Street due to deterioration of certain clay water lines. Mr. Taylor explained that such repair is part of the manhole inspections that the TCEQ is requiring the District to complete by September 1, 2021 under the SSO Program.

Mr. Taylor then reported that MOC completed all repairs related to valves on certain fire hydrants within the District.

Mr. Taylor next reported that Matt Kitterman resigned from MOC last week and Brad Brumer will now be serving as a field operator for the District.

8. Approve Emergency Response Procedures for COVID-19.

Discussion then ensued regarding additional compensation paid to the District's full-time employees due to COVID-19. It was the consensus of the Board that: 1) full-time District staff that worked from home receive such compensation during the period of time that the District's office was closed due to the Storm; and 2) full-time District employees will not receive such compensation while using vacation time.

9. Discuss Waiving Ten-Percent (10%) Late Fees.

Next, Director Connor explained the District's process for making adjustments to customers' bills in the event that a leak is discovered. Director Connor reminded the Board that it is the District's policy that when a customer provides proof that a leak has been fixed and that the leaked water did not enter into the District's sanitary sewer system, the Board will make an adjustment to such customer's sewer charges. Director Connor stated that she expects numerous customers to request bill adjustments following the Storm and added that the District cannot afford to also waive the fees charged to customers for late payment. Discussion then ensued regarding waiver of the assessment of late fees and penalties and suspension of termination of service to delinquent accounts. It was the consensus of the Board not to waive the assessment of late fees and penalties and to continue terminating service to delinquent accounts.

10. Review Administration/Personnel Matters.

Mrs. Pierre next presented a quote from SafeChoice Occupational Screening, Inc. for drug screenings and a quote from Nationwide Testing Association, Inc. ("Nationwide") for drug screenings and criminal background checks. Mrs. Pierre explained that both companies use Lab Corp to perform the drug screenings. Director Green stated that all applicants applying for employment by the District should undergo a drug screening that detects substance use as far back as 90 days. Ms. Garza requested that Mrs. Pierre obtain information from Nationwide regarding a release that applicants must sign in order to authorize the District, through Nationwide, to conduct a criminal background check.

11. Approve Training, Conferences, or Committee Meetings.

Director Green stated that due to the District's current financial status, she believes Directors who wish to attend a conference or training should attend virtually rather than in-person in order to reduce the expense incurred by the District. Upon a **motion** by Director Connor, seconded by Director Williams, after full discussion and with all Directors present voting aye, the Board authorized attendance at virtual conferences or trainings only.

12. Directors' Reports.

Director Connor suggested that when a District water line breaks, affected customers should be notified through the District's text message alert system. Mrs. Pierre reported that she is coordinating with MOC to provide such notice to residents who may be affected when repairs to District facilities are occurring. Mrs. Pierre further reported that notifications regarding such repairs are posted on the District's website.

Director Green then stated she recently met with Mrs. Pierre and recommended postponing the hiring of administrative staff due to the District's budgetary constraints. Director Green stated, and the Board concurred, that Mrs. Pierre should proceed with the process of hiring additional field staff as necessary.

Discussion then ensued regarding scheduling a special meeting to further discuss options for funding the SSO Program projects. It was the consensus of the Board to hold such meeting at 6:00 p.m. on March 8, 2021. Mrs. Pierre stated that she will reach out to the District's Financial Advisor regarding such funding options.

13. Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 8:08 pm.

PASSED AND APPROVED on this 5 day of April, 2021.

Shirley Williams
Secretary, Board of Directors

(DISTRICT SEAL)

